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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

Construction of additional conference facilities at Addis Ababa and Bangkok

Report of the Secretary-General

INTRODUCTION

1. At its thirty-ninth session, the General Assembly, in sections III and XI of resolution 39/236 of 18 December 1984, approved the construction of additional conference facilities at the Economic Commission for Africa at Addis Ababa and a construction project for the expansion of conference facilities at the Economic and Social Commission for Asia and the Pacific (ESCAP) at Bangkok.
2. Following the suspension of the construction projects by decision 40/472 of 9 May 1986 of the General Assembly at its resumed fortieth session in 1986, work on those projects resumed in 1988, pursuant to General Assembly resolutions 41/213 of 19 December 1986 and 42/211 of 21 December 1987, which mandated the Secretary-General to proceed on both already approved projects on the basis of the scope of facilities as originally approved in sections III and XI of General Assembly resolution 39/236.
3. In accordance with resolution 39/236 annual progress reports have been submitted on both construction projects. The present report reviews the progress on the projects at Addis Ababa and Bangkok since the report that was submitted at the forty-seventh session (A/C.5/47/11).

I. EXPANSION OF THE CONFERENCE FACILITIES OF THE ECONOMIC COMMISSION FOR AFRICA AT ADDIS ABABA

A. Status and development of the project

4. Pursuant to General Assembly resolution 42/211, the project in Addis Ababa was resumed during 1988 and proceeded on the basis of the scope of facilities

originally approved and as subsequently reflected in the design developed by the winning architect/engineer firm selected during 1986, namely, one large plenary hall, one medium-size conference room in addition to the existing Africa Hall and four small conference rooms.

5. Results of the international tendering during 1990 were included in the report of the Secretary-General to the General Assembly at its forty-fifth session (A/C.5/45/53). The report indicated that the total cost of the construction project was estimated at 78,523,400 European currency units (ECU), or \$107,576,900 and that the main construction contract was scheduled for completion in 1994. The General Assembly, in section X of resolution 45/248 A of 21 December 1990, took note of the report of the Secretary-General and requested him to proceed with the project in accordance with the revised timetable. The construction contract was signed on 22 February 1991. As was reported to the General Assembly at its forty-sixth session, the 36-month construction period commenced on 29 April 1991, but was interrupted almost immediately by a situation of force majeure.

6. The general status and development of the project and relevant aspects of the situation in Ethiopia through September 1992 were outlined in paragraphs 5 to 10 of the Secretary-General's report to the General Assembly at its forty-sixth session (A/C.5/46/22) and in paragraph 6 of the Secretary-General's report submitted at its forty-seventh session (A/C.5/47/11). The principal developments since that time are as follows:

(a) The situation whereby only one shipping line has been accepting direct commercial shipments from Italy to Assab has continued to prevail. The contractor reports that arrangements for advance bookings to ensure the regular flow of materials have been only partially successful and shipping problems have delayed some aspects of the work in the past year. Air shipment has been necessary in some cases. Accordingly it has been necessary for the contractor to accelerate procurement and establish buffer stocks to minimize construction delays due to unavailability of materials. Additionally the contractor is investigating options for transshipment from nearby ports as an alternative to unreliable direct shipment from Europe;

(b) The contractor reports that the situation with regard to commercial transport from Assab to Addis Ababa has stabilized and escorted convoys are no longer required.

Progress of construction

7. Since the preparation of the last report, the pace of work has continued at the level reached in 1992, but the contractor has been unable to achieve the higher production rates anticipated by his revised timetable.

8. In the past year the superstructure and installation of the precast concrete exterior panels have been completed. The space frames covering the two main conference rooms have been erected and covered with roof decking although problems have developed with the roofing membrane covering the space frames. Components for the large space frame over the central lobby area have been delivered to the site and erection will commence shortly. Installation of

windows and roofing is progressing and the contractor anticipates that the building will be weather-tight by year-end. Some difficulties have been encountered in the installation of interior finishes and in the installation of mechanical and electrical systems owing to delays in arrival of various materials and insufficiency of skilled workers and technicians in key disciplines. Remedial measures have been taken by the contractor and he expects significant increases in production in these areas in the coming months. Structural work on the external works is progressing: the north car park and water reservoir have been completed, the south car park is approximately 60 per cent complete and foundations for the boiler room, the emergency generator room and the link bridges to the existing buildings are under way.

B. Project timetable

9. The contractor's latest timetable projects completion of construction in the fourth quarter of 1994, with commissioning completed by year-end. The consultants and the administration view this as very optimistic and consider that commissioning in the first half of 1995 would be more realistic. The contractor's workforce is now approximately 1,050 workers and double shift work is expected to commence shortly in selected trades.

C. Financial aspects

10. Despite various measures to compensate for difficulties, the contractor has not been able to increase his activities during the past year to meet planned disbursement levels. Owing to various shipping, organizational and coordination problems of the contractor and subcontractors, monthly production has been less than half of scheduled rates. The contractor nevertheless projects major increases in production by the end of 1993 and during 1994. The contractor projects completion in December 1994, which would make final payment due in 1995.

11. It will be recalled that the construction contract provides for an extension equal to any force majeure period, plus whatever additional period is required for normal operations to resume under specific circumstances. Discussions with the contractor are currently in progress on the question of the extension of the construction period resulting from the force majeure period as well as on the extent of compensation allowed under the terms of the construction contract for expenses of permanent staff and equipment idled during the force majeure period. The particulars of the contractor's claims for compensation for force majeure and other changed conditions were outlined in paragraph 10 of the Secretary-General's report to the General Assembly at its forty-seventh session (A/C.5/47/11) and paragraphs 2 and 3 of the report of the Advisory Committee on Administrative and Budgetary Questions (A/47/7/Add.2). Further discussions towards resolving the claims in a constructive manner have not yet been concluded. In the meantime, it can be reported on the basis of discussions to date that the settlement of the claims is not expected to result in an increase in the 1990 estimate of the total project cost of \$107,576,900.

II. EXPANSION OF THE CONFERENCE FACILITIES OF THE ECONOMIC AND
AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC AT BANGKOK

A. Completion of the project

12. The project at Bangkok was resumed in 1988 pursuant to the terms of General Assembly resolution 42/211 on the basis of the scope of facilities originally approved and as reflected in the previously completed plans and specifications. Construction began in May 1989 and was completed in the first quarter of 1993, followed by an inauguration ceremony on 9 April. The guarantee period ends on 21 March 1994.

13. The building has already been designated as venue for a number of major conferences and a large number of smaller meetings:

March 1993	Regional preparatory meeting for the World Conference on Human Rights
April	Forty-ninth session of ESCAP
June	Regional meeting of the Asian Development Bank on financing environmentally sound development
October	Industrial development meeting on steel construction
November	Ministerial Conference on Urbanization; fifth meeting of Contracting Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer and third meeting of Contracting Parties to the Vienna Convention for the Protection of the Ozone Layer

B. Financial aspects

14. As reported to the General Assembly at its forty-sixth session, the revised project cost of the construction project at Bangkok was estimated at \$48,540,000, namely \$4,362,300 (9.87 per cent) over the amount of \$44,177,700 approved in principle by the General Assembly in its resolution 39/236. With the approval of the General Assembly, this additional requirement was covered by interest earned on construction appropriations during and after the period of suspension, and no additional appropriation was required under the regular budget beyond the amount of \$44,177,700 originally approved.

15. As of 31 August 1993 disbursements, not including retention, final payments and other obligations, amounted to \$44,536,896. The final account of the construction contract, taking into account all remeasurements and variation orders, is now being prepared by the quantity surveyor. Following agreement of the final account with the contractor, release of remaining retention money and final payments to the contractor and consultants, it is expected that the total project cost will not exceed the amount \$48,540,000 already authorized for the construction project at Bangkok.

III. CONCLUSION

16. No appropriations for the project at Bangkok will be required in 1994-1995. An appropriation of \$17,241,900 has been requested under section 30 of the proposed programme budget for the biennium 1994-1995 for the expansion of conference facilities at Addis Ababa.

17. In accordance with General Assembly resolution 39/236, progress reports on both projects will be submitted to the Assembly annually until construction is completed.
